1	Kevin F. Ruf (#136901) GLANCY PRONGAY & MURRAY LLP					
2	1925 Century Park East, Suite 2100					
3	Los Angeles, CA 90067					
4	Telephone: (310) 201-9150 Facsimile: (310) 201-9160					
	Email: kruf@glancylaw.com					
5	Brian P. Murray (pro hac vice forthcoming)					
7	Lee Albert (pro hac vice forthcoming)  GLANCY PRONGAY & MURRAY LLP					
/	230 Park Avenue, Suite 358					
8	New York, NY 10169 Telephone: (212) 682-5340					
9	Fax: (212) 884-0988					
10	Email: bmurray@glancylaw.com Email: lalbert@glancylaw.com					
11	[Additional Counsel on Signature Page]					
12	Attorneys for Plaintiff and the Proposed Class					
13	Anorneys for I tuning and the I roposed Class					
14	UNITED STATES DISTRICT COURT					
	NORTHERN DISTRICT OF CALIFORNIA					
15	NORTHERN DISTRICT	OF CALIFORNIA				
15 16		COF CALIFORNIA  Case No.				
	NORTHERN DISTRICT  BRUCE E. PULEO, individually and on behalf of all others similarly situated,	Ī				
16	BRUCE E. PULEO, individually and on behalf of all others similarly situated,  Plaintiff,	Ī				
16 17	BRUCE E. PULEO, individually and on behalf of all others similarly situated,	Case No.				
16 17 18 19	BRUCE E. PULEO, individually and on behalf of all others similarly situated,  Plaintiff,	Case No.				
16 17 18 19 20	BRUCE E. PULEO, individually and on behalf of all others similarly situated,  Plaintiff,  v.	Case No.  CLASS ACTION COMPLAINT				
16 17 18 19 20 21	BRUCE E. PULEO, individually and on behalf of all others similarly situated,  Plaintiff, v.  APPLE INC.,	Case No.  CLASS ACTION COMPLAINT				
16 17 18	BRUCE E. PULEO, individually and on behalf of all others similarly situated,  Plaintiff, v.  APPLE INC.,	Case No.  CLASS ACTION COMPLAINT				
16 17 18 19 20 21 22	BRUCE E. PULEO, individually and on behalf of all others similarly situated,  Plaintiff, v.  APPLE INC.,	Case No.  CLASS ACTION COMPLAINT				
16 17 18 19 20 21 22 23	BRUCE E. PULEO, individually and on behalf of all others similarly situated,  Plaintiff, v.  APPLE INC.,	Case No.  CLASS ACTION COMPLAINT				
16 17 18 19 20 21 22 23 24	BRUCE E. PULEO, individually and on behalf of all others similarly situated,  Plaintiff, v.  APPLE INC.,	Case No.  CLASS ACTION COMPLAINT				
16 17 18 19 20 21 22 23 24 25	BRUCE E. PULEO, individually and on behalf of all others similarly situated,  Plaintiff, v.  APPLE INC.,	Case No.  CLASS ACTION COMPLAINT				
16 17 18 19 20 21 22 23 24 25 26	BRUCE E. PULEO, individually and on behalf of all others similarly situated,  Plaintiff, v.  APPLE INC.,	Case No.  CLASS ACTION COMPLAINT				

**CLASS ACTION COMPLAINT** 

Plaintiff Bruce E. Puleo ("Plaintiff"), on behalf of himself and all others similarly situated, brings this class action lawsuit for damages and equitable relief against Defendant Apple Inc. ("Defendant" or "Apple") and alleges the following based upon personal information as to allegations regarding himself and the investigation of his counsel, and on information and belief as to all other allegations:

#### I. <u>NATURE OF THE ACTION</u>

- 1. This is a consumer class action complaint brought against Apple for deceptively and systematically violating wiretapping, privacy, and consumer fraud laws for its own financial gain.
- 2. Specifically, Defendant knowingly violated consumers' privacy by unlawfully tracking consumers' usage of Apple apps in order to harvest consumers' personal data from their iPhones and iPads ("Mobile Devices"), despite consumers' explicit indication through Defendant's mobile device settings that they want to keep their app data private.
- 3. Apple has sought to position itself as a leader by touting how its Mobile Devices allow users to control the information they share. For example, Apple's "Privacy Policy" states, "[a]t Apple, we respect your ability to know, access, correct, transfer, restrict the processing of, and delete your personal data."
- 4. The "User Privacy and Data Use" page on the Apple App Store similarly assures users that "[t]he App Store is designed to be a *safe and trusted place* for users to discover apps created by talented developers around the world. Apps on the App Store are *held to a high standard for privacy, security*, and content because nothing is more important than maintaining users' trust."<sup>2</sup> (emphasis added).
- 5. Defendant provides users with explicit instructions explaining how to control what data Apple collects about app usage. For example, if consumers do not want Apple to track their

<sup>&</sup>lt;sup>1</sup> See Apple Privacy Policy, updated December 22, 2022, available at https://www.apple.com/legal/privacy/pdfs/apple-privacy-policy-en-ww.pdf.

<sup>&</sup>lt;sup>2</sup> See App Store User Privacy and Data Use, https://developer.apple.com/app-store/user-privacy-and-data-use/ (last viewed March 1, 2023).

information, Defendant directs them to turn off the "Allow Apps to Request to Track" option in their Mobile Device settings. "[App] tracking occurs when information that identifies you or your device collected from an app is linked with information that identifies you or your device collected on apps, websites and other locations owned by third parties for the purposes of targeted advertising or advertising measurement, or when the information collected is shared with data brokers."

- 6. In addition, Defendant outright promises in its Mobile Device settings that it will not share consumers' device analytics, if consumers so choose. Apple states that it will "disable [the sharing of] Device Analytics altogether" if a consumer toggles or turns off "Share iPhone Analytics" on an iPhone or selects a similar setting on other Apple Mobile Devices, like the iPad.<sup>4</sup>
- 7. Accordingly, Apple Mobile Device users reasonably expect that their activity will not be shared without their affirmative consent.
- 8. Until recently, consumers had no idea that Apple was tracking their personal data for profit when they specifically requested their data to be kept private.
- 9. Through its unlawful tracking and hoarding of consumer data, Defendant collects and monetizes consumer information without Plaintiff's and similarly situated consumers' consent.
- 10. Defendant's practice of collecting data from users who have specifically followed Apple's own instructions to prevent sharing of private data deceives consumers and constitutes an unlawful interception of a communication in violation of, *inter alia*, consumers' privacy and state and federal wiretapping laws.
- 11. Plaintiff is an individual whose mobile app usage was tracked by Defendant after he affirmatively elected to turn off the "Allow Apps to Request to Track" and/or "Share [Device] Analytics" options on his Mobile Device.
- 12. Plaintiff seeks damages and equitable relief on behalf of himself and all other similarly situated Apple Mobile Device users nationwide, arising from Defendant's knowing and

<sup>&</sup>lt;sup>3</sup> See https://support.apple.com/en-us/HT212025 (last viewed March 16, 2023).

<sup>&</sup>lt;sup>4</sup> If a consumer has an Apple Watch paired to her iPhone, she must instead turn off the setting for "Share iPhone and Watch Analytics" for the same effect. Hereinafter, this setting, across devices, will be referred to as "Share [Device] Analytics."

unauthorized copying, taking, use, and tracking of consumers' communications and activity, and its knowing and unauthorized invasion of consumer privacy.

#### II. <u>JURISDICTION AND VENUE</u>

13. This Court has subject matter jurisdiction pursuant to the Class Action Fairness Act, 28 U.S.C. § 1332(d)(2), because this action is a class action in which the aggregate amount in controversy for the proposed Class (defined below) exceeds \$5 million, exclusive of interests and costs; more than 100 proposed Class Members are involved; and at least one member of the proposed Class is a citizen of a state different from that of Defendant.

- 14. This Court has personal jurisdiction over Defendant because Defendant maintains its principal place of business in this District and because a substantial part of the events or omissions giving rise to the claims asserted herein occurred in this District. Upon information and belief, Defendant designed and developed the devices at issue in this litigation at their headquarters in this District and made decisions concerning the issues that are the subject of this limitations from its headquarters.
- 15. Venue is proper in this Court pursuant to 28 U.S.C. § 1391 because a substantial part of the events or omissions giving rise to the claims occurred in this District, Defendant transacts substantial business in this District, and Plaintiff resides in this District.
- 16. This Court has supplemental jurisdiction over the state law claims, pursuant to 28 U.S.C. § 1367.

#### III. THE PARTIES

- 17. Plaintiff Bruce E. Puleo is an adult citizen of New Jersey and is domiciled in Boonton, New Jersey. Plaintiff purchased an iPhone 14 Pro in September 2022. Plaintiff regularly accessed iPhone apps including the App Store, Maps, and Weather. On the same day that Plaintiff purchased his iPhone, he turned off the "Allow Apps to Request to Track" and "Share iPhone Analytics" options, as well as other privacy settings such as the "Personalized Ads" option. Apple has nevertheless accessed his data while these features were turned off.
- 18. Defendant Apple Inc. is incorporated in California and maintains its principal place of business at One Apple Park Way, Cupertino, CA 95014.

#### IV. <u>FACTUAL ALLEGATIONS</u>

- A. Consumers Have a Reasonable Expectation of Privacy on Their Mobile Devices.
- 19. Data obtained from consumers' personal devices provides the foundation for many of the world's largest businesses.<sup>5</sup> As the commercial use of consumers' data has become more valuable to businesses, consumers are becoming more protective about businesses obtaining that data and more concerned about their privacy online.
- 20. A 2019 study by Pew Research Center showed that 79% of Americans are concerned about the way their data is being used by companies.<sup>6</sup>
- 21. According to a Consumer Privacy Survey conducted by Cisco in 2021, 86% of consumers say they care about data privacy and want more control over their data.<sup>7</sup> Nearly half of those surveyed said they felt unable to protect their personal data—mainly because companies are not transparent about how they use consumer data.<sup>8</sup>
- 22. Industry observers have introduced the concept of "surveillance capitalism," referring to "consumers' increasing awareness that their data is bought, sold, and used without their consent—and their growing reluctance to put up with it."
- 23. Apple thus knows that users want to keep their data private and are concerned with preventing others from accessing it. Yet, it continues to collect and track detailed information from users who access its apps on their personal devices.

<sup>&</sup>lt;sup>5</sup> Hossein Rahnama and Alex "Sandy" Pentland, *The New Rules of Data Privacy*, HARVARD BUSINESS REVIEW (Feb. 25, 2022), https://hbr.org/2022/02/the-new-rules-of-data-privacy.

<sup>&</sup>lt;sup>6</sup> Brooke Auxier, Lee Rainie, Monica Anderson, et al., *Americans and Privacy: Concerned, Confused and Feeling Lack of Control Over Their Personal Information*, PEW RESEARCH CENTER (Nov, 15, 2019), https://www.pewresearch.org/internet/2019/11/15/americans-and-privacy-concerned-confused-and-feeling-lack-of-control-over-their-personal-information/.

<sup>&</sup>lt;sup>7</sup> CISCO Consumer Privacy Survey, *Building Consumer Confidence Through Transparency and Control* (2021), https://www.cisco.com/c/dam/en\_us/about/doing\_business/trust-center/docs/cisco-cybersecurity-series-2021-cps.pdf.

<sup>&</sup>lt;sup>8</sup> *Id.*.

<sup>&</sup>lt;sup>9</sup> Rahnama and Pentland, *supra* n.5, https://hbr.org/2022/02/the-new-rules-of-data-privacy.

- Apple also promotes that "[p]rivacy and security are at the forefront of Apple's 32. products."<sup>21</sup> Apple's iOS 14.5 operating system update included App Tracking Transparency, which required app developers to ask permission from users before tracking their activity in websites and third-party apps.<sup>22</sup> Apple also required app developers to explain the information that their apps collect and how that information is used.<sup>23</sup> Notably, the opt-in rate for this feature was reported to be around 4% for U.S. users – meaning that when given the choice, almost all mobile device users chose not to have their data tracked.24
- A "headline feature" of Apple's iOS 15.2 operating system update for the iPhone (released in December 2021) was the "App Privacy Report," a "privacy-focused feature aimed at giving users a better picture of how apps and websites are tracking their activity."<sup>25</sup>
- 34. Apple also consistently promotes its purported commitment to users' privacy through its marketing strategies. In 2019, Apple launched the marketing campaign, "Privacy. That's iPhone" and strategically plastered billboards across the country to promote its efforts to protect users' privacy.<sup>26</sup> One billboard, covering the entire side of Marriott's Springhill Suites hotel, was placed outside the Consumer Electronics Show in Las Vegas, NV, which Apple did not even attend.<sup>27</sup> The

24

25

26

27

<sup>&</sup>lt;sup>21</sup> Apple and Privacy, supra n.16, https://appleinsider.com/inside/apple-and-privacy.

<sup>&</sup>lt;sup>22</sup> Aten, supra n.15, https://www.inc.com/jason-aten/apples-ios-152-is-a-major-privacy-updatethat-lets-you-see-how-apps-are-tracking-you-its-very-bad-news-for-facebook.html.

 $<sup>^{23}</sup>$  *Id*.

<sup>&</sup>lt;sup>24</sup> Rachel Kraus, After update, only 4 percent of iOS users in U.S. let apps track them, MASHABLE (May 7, 2021), https://mashable.com/article/ios-14-5-users-opt-out-of-ad-tracking.

<sup>&</sup>lt;sup>25</sup> Aten, supra n.15, https://www.inc.com/jason-aten/apples-ios-152-is-a-major-privacy-updatethat-lets-you-see-how-apps-are-tracking-you-its-very-bad-news-for-facebook.html.

<sup>&</sup>lt;sup>26</sup> Mike Wuerthele, 'Privacy. That's iPhone' ad campaign launches, highlights Apple's stance on user protection, APPLEINSIDER (March 14, 2019),

https://appleinsider.com/articles/19/03/14/privacy-thats-iphone-ad-campaign-launches-highlightsapples-stance-on-user-protection.

<sup>&</sup>lt;sup>27</sup> Chance Miller, Ahead of CES, Apple touts 'what happens on your iPhone, stays on your iPhone' with privacy billboard in Las Vegas, 9TO5MAC (Jan, 5, 2019), https://9to5mac.com/2019/01/05/apple-privacy-billboard-vegas-ces/.

billboard read, "What happens on your iPhone, stays on your iPhone," playing on the infamous slogan, 1 "What happens in Vegas, stays in Vegas." <sup>28</sup> Underneath the slogan, Apple provided a URL to its 2 privacy policy website.<sup>29</sup> Another billboard covering the side of a building in midtown New York 3 stated, "Your iPhone knows a lot about you. But we don't. Privacy. That's iPhone."<sup>30</sup> 4 5 35. In one Apple video advertisement in the same privacy campaign, a consumer stumbles upon a "data auction" as the auctioneer pretends to offer up the various data that apps have collected 6 about her.<sup>31</sup> The auctioneer announces the auction, "a digital treasure trove of Charming Ellie's 7 8 private data," consisting of various categories of "Ellie's" personal information, such as "her emails," 9 "her location data," "her contacts," and "her browsing history," which are placed on the block and 10 offered to the audience.<sup>32</sup> For example, a map showing "[Ellie's] location data" is shown, and the auctioneer says, "It's not creepy, it's commerce! Do I hear 600? 620?..."<sup>33</sup> Then, "Ellie" takes out 11 her iPhone and selects the "Ask App Not to Track" option, which promptly causes all auction 12 attendees to disappear, as the text on the screen promotes, "It's your data. iPhone helps keep it that 13 way."34 14 15 36. In another advertisement for Apple's App Tracking Transparency, the narrator describes various ways in which certain companies use consumer data.<sup>35</sup> The narrator then says, 16 17 <sup>28</sup> *Id*. 18 19 <sup>29</sup> *Id*. 20 <sup>30</sup> https://www.alamy.com/a-billboard-on-the-side-of-a-building-in-midtown-manhattan-ontuesday-july-9-2019-informs-viewers-of-the-privacy-afforded-by-using-apple-devices-richard-b-21 levine-image260045682.html (last viewed March 2, 2023). 22 <sup>31</sup> Privacy on iPhone | Data Auction | Apple, https://www.youtube.com/watch?v=NOXK4EVFmJY (last viewed March 2, 2023). 23 24 <sup>32</sup> *Id*. 25 <sup>33</sup> *Id*. 26 <sup>34</sup> *Id*.

https://www.youtube.com/watch?v=Ihw Al4RNno (last viewed March 2, 2023).

<sup>35</sup> Privacy | App Tracking Transparency | Apple,

27

"Your information is for sale. You have become the product." <sup>36</sup> After introducing Apple's privacy options, the narrator says, "Whatever you choose is up to you... App Tracking Transparency. A simple new feature that puts your data back in your control."37

37. In 2022, Cook tweeted a message reiterating Apple's alleged commitment to users' privacy: "Privacy is a fundamental right and we build it into all products and services at Apple. You should be in control of your data--- not the highest bidder."<sup>38</sup> With the tweet, Cook shared a link to the data auction video, showing a hypothetical auction in which an iPhone user's private data is being auctioned off to the highest bidder.<sup>39</sup>

#### C. Apple Secretly Tracks Consumers' Data For Its Own Financial Gain.

- 38. In direct contravention of Apple's extensive branding its products and services as designed to respect and protect users' privacy, Apple ignores users' expressed preferences to keep their data private and tracks a wide range of consumers' activity for its own profit, including app activity.
- 39. Apple collects demographic information about its users so it can direct specific advertising to them. This practice enables Apple to target advertising to users with specific demographic data, browsing behaviors, and interests, which will generate more revenue from advertisers.
- 40. Apple explicitly promises in its Mobile Devices' settings that it will "disable the sharing of Device Analytics altogether" if consumers toggle or turn off "Share iPhone Analytics" on an iPhone, or similar settings on other Apple Mobile Devices, like the iPad. 40 Yet, it appears that Apple does not practice what it preaches.

24

38 https://www.businesstoday.in/technology/news/story/you-should-be-in-control-of-your-data-25 says-apple-ceo-tim-cook-on-privacy-334194-2022-05-19 (last viewed March 5, 2023).

27

28

26

<sup>40</sup> Thomas Germain, Apple Is Tracking You Even When Its Own Privacy Settings Say It's Not, New Research Says, GIZMODO (Nov. 8, 2022), https://gizmodo.com/apple-iphone-analytics-trackingeven-when-off-app-store-1849757558.

- 41. Two independent app developers at the software company Mysk found that even if users affirmatively turn off "Allow Apps to Request to Track" and/or "Share [Device] Analytics" in their iPhone "privacy settings," as Apple advises, Apple still records, tracks, collects, and monetizes detailed information, including consumers' analytics data, browsing history and activity information from the App Store. These experts and their testing further showed that Defendant continues to access consumers' app usage, app browsing communications, and personal information in its own apps, such as the App Store, Apple Music, Apple TV, Books, and Stocks, even when consumers have affirmatively toggled on their privacy controls. 42
- 42. The Mysk test demonstrated that Defendant's App Store "harvest[ed] information about every single thing you did in real time, including what you tapped on, which apps you search for, what ads you saw, and how long you looked at a given app and how you found it. The app sent details about you and your device as well, including ID numbers, what kind of phone you're using, your screen resolution, your keyboard languages, how you're connected to the internet notably, the kind of information commonly used for device fingerprinting."<sup>43</sup>
- 43. The Mysk researchers also found that Apple uses analytics data sent from its apps, such as Apple Music, Apple TV, Books, the iTunes Store, and Stocks to track users' activity across its various services. 44 Switching off device features such as device analytics had no impact on the information the apps were sending. 45
- 44. For instance, Apple's Stocks app shares users private information relating to their investment activities or preferences, the stocks they view or search for, and news articles that they

*Id* 

 $\|_{42} Id.$ 

 $_{26}$   $^{43}$  *Id*.

27 | 44 *Id*.

<sup>45</sup> *Id*.

view in the app. 46 Apple even collects time-stamps on when users view certain stocks and engage with the Stocks app.<sup>47</sup>

45. Defendant's collection of data from users' Mobile Devices despite its promise not to is not only an intrusion of privacy, but it also reveals users' private searches in the App Store that they may not want transmitted to public servers.<sup>48</sup> For example, users searching for apps relating to mental health, religion, sexual orientation, and other sensitive personal issues have a reasonable expectation that their personal browsing preferences will be kept private.<sup>49</sup>

46. Most concerning, the Mysk study discovered that "Apple sends what's known as a 'Directory Service Identifier' along with its App Store analytics info and argues that the identifier is also tied to your iCloud account, linking your name, email address, and more."50 Even if users turn off the analytics in their device setting, Apple also sends users' "Directory Services Identifiers" in other apps.<sup>51</sup>

15

16

17

18

19

20

21

<sup>46</sup> Germain, supra n.40, https://gizmodo.com/apple-iphone-analytics-tracking-even-when-off-appstore-1849757558.

22

<sup>47</sup> *Id*.

<sup>48</sup> *Id*.

<sup>49</sup> *Id*.

23

24

25

<sup>50</sup> Mitchell Clark, *iOS developers say Apple's App Store analytics aren't anonymous*, The Verge 26 (Nov. 21, 2022), https://www.theverge.com/2022/11/21/23471827/apple-app-store-datacollection-analytics-personal-info-privacy. 27

<sup>51</sup> *Id*. 28

- 47. *Gizmodo* revealed this issue in a November 8, 2022 article online.<sup>52</sup> Shortly thereafter, multiple other news outlets, including The Verge,<sup>53</sup> Engadget,<sup>54</sup> and Fox News,<sup>55</sup> reported on the results of the Mysk test and Apple's tracking practices.
- 48. In January 2023, French data protection authorities acknowledged Apple's unlawful activities and fined Apple \$8.5 million dollars for "illegally harvesting iPhone owners' data for targeted ads without proper consent."<sup>56</sup> A French court also find Apple over \$1 million in December 2022, over similar practices related to Defendant's App Store.<sup>57</sup>
- 49. Apple cannot justify collecting private user data when users expressly direct Apple not to do so by turning off "Allow Apps to Request to Track" and/or "Share [Device] Analytics."
- 50. Apple has not disclosed to users that it was continuing to track and collect their private App usage data, even though users followed Apple's instructions to turn off app tracking in order to stop data collection.
- 51. Because of Apple's deception and knowing concealment, any applicable statute of limitations has been tolled until only recently, when Plaintiff discovered his data was being tracked.

<sup>&</sup>lt;sup>52</sup> Germain, *supra* n.40, https://gizmodo.com/apple-iphone-analytics-tracking-even-when-off-app-store-1849757558.

 $<sup>^{53}</sup>$  Clark, supra n.50, https://www.theverge.com/2022/11/21/23471827/apple-app-store-data-collection-analytics-personal-info-privacy.

<sup>&</sup>lt;sup>54</sup> Jon Fingas, *Researchers say iPhone usage data isn't as anonymous as Apple claims*, ENGADGET Nov. 21, 2022), https://www.engadget.com/apple-phone-usage-data-not-anonymous-researchers-185334975.html.

<sup>&</sup>lt;sup>55</sup> Julia Musto, *Apple iPhone data not as anonymous as company says: researchers*, FOX NEWS (Nov. 22, 2022), https://www.foxnews.com/tech/apple-iphone-data-not-as-anonymous-company-says-researchers.

<sup>&</sup>lt;sup>56</sup> Thomas Germain, *Apple Fined \$8.5 Million for Illegally Collecting iPhone Owners' Data for Ads*, Gizmodo (Jan. 4, 2023), https://gizmodo.com/apple-iphone-france-ads-fine-illegal-data-1849950163.

<sup>&</sup>lt;sup>57</sup> *Id*.

## V. <u>CLASS ACTION ALLEGATIONS</u>

52. Plaintiff brings this action on behalf of himself and the members of the following class (the "Class"):

All individuals who purchased an Apple Mobile Device and had their personal information tracked by Apple after they turned off or declined the setting(s) permitting Apple to track their information.

- 53. Excluded from the proposed Class are: (i) Defendant, any entity in which Defendant has a controlling interest, and Defendant's parents, subsidiaries, affiliates, officers, and directors; (ii) the Judge to whom this case is assigned and any member of the Judge's staff or immediate family; and (iii) Class Counsel.
  - 54. Plaintiff reserves the right to amend the Class definitions as necessary.
- 55. As used herein, "Class Members" shall mean and refer to the members of the proposed Class, including Plaintiff.
- 56. The claims of all Class Members derive directly from a single course of conduct by Apple. Apple has engaged and continues to engage in uniform and standardized conduct toward the putative Class Members.
- 57. Certification of Plaintiff's claims is appropriate because the elements of each of Plaintiff's claims can be proven (or disproven) on a class-wide basis using the common evidence.
- 58. Accordingly, Plaintiff brings this lawsuit as a class action on Plaintiff's own behalf and on behalf of all other businesses, entities, and individuals similarly situated pursuant to Fed. R. Civ. P. 23. This action satisfies the numerosity, typicality, adequacy, commonality, predominance, and superiority requirements of Rule 23.
- 59. <u>Numerosity</u>. The members of the proposed Class are so numerous that their individual joinder would be impracticable. While the exact number of Class Members is not known at this time, Plaintiff believes that the Class includes many hundreds of thousands of Class Members, if not more. The precise number of Class Members, and their addresses, are unknown to Plaintiff at this time but can be ascertained from Defendant's records and other appropriate discovery.

- 60. Typicality. Plaintiff's claims are typical of the claims of the members of the Class. Plaintiff and members of the Class were harmed by the same wrongful and willful conduct of Defendant and are based on the same legal theories, resulting in the same injury to Plaintiff and Class Members. Plaintiff and all Class Members are similarly affected by Defendant's wrongful conduct, were damaged in the same way, and seek the same relief. Plaintiff's interests coincide with, and are not antagonistic to, those of the other Class Members. Plaintiff has been damaged by the same wrongdoing set forth in this Complaint.
- 61. Adequacy of Representation. Plaintiff will fairly and adequately protect and represent the interest of the members of the Class. Plaintiff is an adequate representative of the Class because Plaintiff's interests do not conflict with the interests of the Class Members. Plaintiff has retained counsel competent and experienced in complex class action, business competition, and consumer privacy litigation, and Plaintiff and his counsel will fairly and adequately protect the interests of Class Members.
- 62. <u>Commonality and Predominance</u>. Common questions of law and fact exist as to all Class Members and predominate over questions affecting only individual Class Members because Defendant has acted on grounds generally applicable to the Class. The common legal and factual questions include, without limitation:
  - (a) whether Defendant collects or tracks mobile user information and data without Class Members' consent;
  - (b) whether Defendant intentionally intercepts Plaintiff and Class Members' communications within the meaning of the California Invasion of Privacy Act and the Federal Wiretap Act
  - (c) whether Defendant engages in false or misleading advertising;
  - (d) whether Defendant's conduct violates privacy and consumer protection laws alleged herein;
  - (e) whether Plaintiff and Class Members were damaged by Defendant's conduct;

- (f) whether Plaintiff and Class Members are entitled to actual, compensatory, nominal, statutory, enhanced, and/or punitive damages, and if so in what amount; and
- (g) whether Plaintiff and the Class are entitled to injunctive, declaratory relief, or other equitable relief.
- 63. Superiority. A class action is superior to other available means for the fair and efficient adjudication of the controversy. There is no special interest in Class Members individually controlling the prosecution of separate actions. The damages suffered by individual Class Members, while significant, are small given the burden and expense of individual prosecution of the complex and extensive litigation necessitated by Defendant's conduct. Further, it would be virtually impossible for Class Members individually to redress effectively the wrongs done to them. Even if Class Members themselves could afford such individual litigation; the court system could not, given the thousands or even millions of cases that would need to be filed. Individualized litigation would also present a potential for inconsistent or contradictory judgments. Individualized litigation would increase the delay and expense to all parties and the court system, given the complex legal and factual issues involved. By contrast, the class action device presents far fewer management difficulties and provides the benefits of single adjudication, economy of scale, and comprehensive supervision by a single court.
- 64. <u>Risk of Inconsistent or Dispositive Adjudications and the Appropriateness of Final Injunctive or Declaratory Relief</u>. In the alternative, this action may properly be maintained as a class action under Fed. R. Civ. P. 23(b)(1) and (2), because:
  - (a) the prosecution of separate actions by individual Class Members would create a risk of inconsistent or varying adjudication with respect to individual Class Members, which would establish incompatible standards of conduct for Defendant;
  - (b) the prosecution of separate actions by individual Class Members would create a risk of adjudication with respect to individual Class Members which would, as a practical matter, be dispositive of the interests of other Class

<sup>&</sup>lt;sup>58</sup> See Apple Media Services Terms and Conditions, last updated Sept. 12, 2022, available at https://www.apple.com/legal/internet-services/itunes/.

#### VI. <u>CAUSES OF ACTION</u>

#### FIRST CAUSE OF ACTION

#### **Invasion of Privacy – Intrusion Upon Seclusion**

#### (On Behalf of Plaintiff and the Class)

- 69. Plaintiff incorporates by reference all allegations in this Complaint and restates them as if fully set forth herein.
- 70. California law recognizes the tort of invasion of privacy and intrusion upon seclusion.
- 71. To assert a claim for intrusion upon seclusion under California law, a plaintiff must plead (1) that the Defendant intentionally intruded into a place, conversation, or matter as to which Plaintiffs had a reasonable expectation of privacy; and (2) that the intrusion was highly offensive to a reasonable person.
- 72. Defendant Apple's tracking of Plaintiff's and Class Members' app activity in order to harvest their personal data from their Mobile Devices, despite Plaintiff's and Class Members' explicit direction not to do so, constitutes an intention intrusion upon their seclusion.
- 73. Plaintiff and Class Members have an objective, reasonable expectation of privacy in their personal information and the activity they engage in on their Mobile Devices.
- 74. Plaintiff and Class Members did not consent to, authorize, or know about Defendant's intrusion into their mobile devices and apps at the time it occurred. Plaintiff and Class Members never agreed that Defendant could collect and/or disclose their personal information.
- 75. Plaintiff and Class Members had an objective interest in precluding the collection, dissemination and/or misuse of their information and communications and in conducting their personal activities without intrusion or interference, including the right to not have their personal information intercepted and utilized for business gain.
- 76. Defendant intentionally intrudes on Plaintiff's and Class Members' private life, seclusion, or solitude, without consent.
- 77. Defendant's conduct is highly objectionable to a reasonable person and constitutes an egregious breach of the social norms underlying the right to privacy.

- 78. Plaintiff and the Class were harmed by Defendant's wrongful conduct. Defendant's conduct has caused Plaintiff and the Class mental anguish and suffering arising from their loss of privacy and confidentiality of their electronic communications.
- 79. Defendant's conduct has needlessly harmed Plaintiff and the Class by capturing intimately personal facts and data in the form of their Mobile Device and app activity. This disclosure and loss of privacy and confidentiality has caused Plaintiff and the Class to experience mental anguish, emotional distress, worry, fear, and other harms.
- 80. Additionally, given the monetary value of individual personal information, Defendant deprived Plaintiff and Class Members of the economic value of their interactions with Defendant's mobile devices and apps, without providing proper consideration for Plaintiff's and Class Members' property.
- 81. Further, Defendant has improperly profited from its invasion of Plaintiff's and Class Members' privacy in its use of their data for its own economic value.
- 82. As a direct and proximate result of Defendant's conduct, Plaintiff and the Class are entitled to damages, including compensatory, punitive, and/or nominal damages, in an amount to be proven at trial.
- 83. Defendant's conduct is ongoing, and it continues to unlawfully intercept the communications of Plaintiff and Class Members without their consent any time Plaintiff and Class Members interact with Defendant's apps on their Mobile Devices. Plaintiff and Class Members are entitled to declaratory and injunctive relief to prevent future interceptions of their communications.

#### SECOND CAUSE OF ACTION

#### **Breach of Implied Contract**

#### (On Behalf of Plaintiff and the Class)

- 84. Plaintiff incorporates by reference all allegations in this Complaint and restates them as if fully set forth herein.
- 85. Defendant solicited Plaintiff and Class Members to purchase its mobile devices with visual commercials, print ads, and other marketing materials, and represented to all such Class

5

8 9

11 12

10

13 14

16 17

15

18 19

20

22

21

23 24

26

25

27 28 Members that, in purchasing Apple products declining to track and/or share their personal information, their privacy would be maintained and assured.

- 86. Defendant sold its devices to Plaintiff and Class Members for which it received and accepted or retained a benefit in the form of monetary payment.
- 87. Plaintiff and Class Members paid money to Defendant in exchange for mobile devices and services, along with Defendant's promise to protect their personal information from unauthorized disclosure.
- 88. As part of that agreement, and by providing consumers with the ability to turn off the "Allow Apps to Request to Track," "Share iPhone Analytics," and similar settings, Defendant impliedly promised that it would not track consumers who chose not to be tracked.
- 89. Without such implied contracts, Plaintiff and Class Members would not have purchased their devices from Defendant or would have paid less for them.
- 90. Plaintiff and Class Members fully performed their obligations under the implied contracts with Defendant. However, Defendant did not.
- 91. Defendant has acknowledged that an invasion of data privacy included the harvesting by others of private information. Another example defining invasion of data privacy that Defendant has acknowledged is not keeping consumers' personal information only on their Mobile Devices.
- 92. Defendant breached its implied contracts with Plaintiff and Class Members by continuing to track consumers who specifically asked not to be tracked. These circumstances are such that it would be inequitable for Defendant to retain the benefits received.
- 93. As a direct and proximate result of Defendant's breach of its implied contracts with Plaintiff and Class Members, Plaintiff and Class Members have suffered and will continue to suffer injury, including but not limited to the premium they paid for Apple Mobile Devices not to be tracked, nominal damages and other damages to be determined at trial.

## THIRD CAUSE OF ACTION

## **Unjust Enrichment**

3 4 (On Behalf of Plaintiff and the Class)

5

94. Plaintiff incorporates by reference all allegations in this Complaint and restates them as if fully set forth herein. This claim is pled in the alternative to the contract-based claim.

6 7

8

10

9

11 12 its advertising revenue.

13 14

15 16

17 18

19 20

21 22

23

24 25

26

27 28

- 95. Plaintiff and Class Members conferred a tangible and material economic benefit upon Defendant. Despite branding itself as a company that respects privacy and offers consumers the ability to prevent data tracking, Defendant nonetheless collects Plaintiff's and Class Members' private data when they explicitly select not to have their private data tracked. Defendant benefited by using Plaintiff's and the Class's wrongfully obtained data to improve its products and enhance
- 96. Defendant unjustly retained those benefits at the expense of Plaintiff and Class members because Defendant's conduct damaged Plaintiff and the Class, without providing any commensurate compensation to Plaintiff and Class Members.
- 97. The benefits Defendant derived from Plaintiff and the Class rightfully belong to Plaintiff and the Class. Defendant's retention of the benefit conferred upon it by Plaintiff and Class Members would be unjust and inequitable.
- 98. Defendant should be compelled to disgorge into a common fund for the benefit of Plaintiff and Class Members all unlawful or inequitable proceeds that Defendant received, and such other relief as the Court may deem just and proper.

#### **FOURTH CAUSE OF ACTION**

## Violation of the Federal Wiretap Act, 18 U.S.C. § 2510 et seg.

## (On Behalf of Plaintiff and the Class)

- 99. Plaintiff incorporates by reference all allegations in this Complaint and restates them as if fully set forth herein.
- 100. The Federal Wiretap Act, 18 U.S.C. §§ 2510 et seq., confers a civil cause of action on "any person whose wire, oral, or electronic communication is intercepted, disclosed, or intentionally used in violation of this chapter." 18 U.S.C. § 2520(a). The statute prohibits a party

to a wire, oral, or electronic communication from intercepting the communication for the purpose of a criminal or tortious act. 18 U.S.C. § 2511(2)(d).

- 101. "Intercept" is defined as "the aural or other acquisition of the contents of any wire, electronic, or oral communication through the use of any electronic, mechanical, or other device." 18 U.S.C. § 2510(4).
- 102. "Contents" is defined as "includ[ing] any information concerning the substance, purport, or meaning of that communication." 18 U.S.C. § 2510(8).
- 103. "Person" is defined as "any employee, or agent of the United States or any State or political subdivision thereof, and any individual, partnership, association, joint stock company, trust, or corporation." 18 U.S.C. § 2510(6).
- 104. "Electronic communication" is defined as "any transfer of signs, signals, writing, images, sounds, data, or intelligence of any nature transmitted in whole or in part by a wire, radio, electromagnetic, photoelectronic or photooptical system that affects interstate or foreign commerce ...." 18 U.S.C. § 2510(12).
- 105. Defendant Apple is a person for purposes of the Federal Wiretap Act because it is a corporation.
- 106. Plaintiff's and Class Members' app activity on their Mobile Devices are "electronic communications" within the meaning of 18 U.S.C. § 2510(12).
- 107. Defendant Apple intercepted information regarding the substance of Plaintiff's and Class Members' app activity during its transmission for the wrongful purpose of associating that data with users' preexisting user profiles, including their iCloud accounts, in order to improve Defendant's products and target advertising to Plaintiff and Class Members, which is an invasion of their privacy.
- 108. Defendant's actions were at all times knowing, willful, and intentional because Apple is a sophisticated tech entity that designed its app tracking and device analytics capabilities.
- 109. Pursuant to 18 U.S.C. § 2520, Plaintiff and Class Members have been damaged by the interception, disclosure, and/or use of their communications in violation of the Wiretap Act and are entitled to: (1) appropriate equitable or declaratory relief; (2) damages, in an amount to be

determined at trial, assessed as the greater of (a) the sum of the actual damages suffered by Plaintiffs and the Class and any profits made by Defendant as a result of the violation, or (b) statutory damages of whichever is the greater of \$100 per day per violation or \$10,000; and (3) reasonable attorneys' fees and other litigation costs reasonably incurred.

### FIFTH CAUSE OF ACTION

# Violation of the California Invasion of Privacy Act ("CIPA"), California Penal Code § 632 (On Behalf of Plaintiff and the Class)

- 110. Plaintiff incorporates by reference all allegations in this Complaint and restates them as if fully set forth herein.
- 111. The California Legislature enacted the California Invasion of Privacy Act, Cal. Penal Code §§ 630, et seq. ("CIPA") finding that "advances in science and technology have led to the development of new devices and techniques for the purpose of eavesdropping upon private communications and that the invasion of privacy resulting from the continual and increasing use of such devices and techniques has created a serious threat to the free exercise of personal liberties and cannot be tolerated in a free and civilized society." Cal. Penal Code § 630. Thus, the intent behind CIPA is "to protect the right of privacy of the people of this state." *Id*.
- 112. Cal. Penal Code § 632 prohibits eavesdropping upon or recording of any confidential communication, including those occurring among the parties in the presence of one another or by means of a telephone, telegraph, or other device, through the use of an electronic amplifying or recording device without the consent of all parties to the communication.
- 113. By contemporaneously intercepting and accessing Plaintiffs' and Class members' app activity without consent and authorization of all parties, Defendant Apple eavesdropped and/or recorded confidential communications through an electronic amplifying or recording device in violation of § 631(a) of the CIPA.
- 114. At all relevant times, Apple's tracking and recording of Plaintiff's and Class Members' communications while using an app with "Allow Apps to Request to Track" and/or "Share [Device] Analytics" turned off was without authorization and consent from the Plaintiff and Class Members.

- (d) Continuing to lead users to believe that Apple is not receiving the data or tracking app usage, while Apple continues to do so without users' knowledge or consent.
- 122. Defendant's illegal collection of user data also led to substantial injuries, as described above, that are not outweighed by any countervailing benefits to consumers or competition as contemplated under the UCL. Because Plaintiff and Class Members did not and could not know of Apple's continued tracking of their data analytics and impermissible use of their personal data, they could not have reasonably avoided the harms caused by Defendant's practices.
- 123. Defendant misrepresented that it would protect the privacy and data analytics of Plaintiff and Class Members who elected not to share that information with Apple yet failed to do so. Defendant further omitted, suppressed, and/or concealed the material fact that it would continue to track users' communications and data usage even after those users requested that Apple not track or record Plaintiff's and Class Members' communications or access their Mobile Devices.
- 124. Defendant engaged in unlawful business practices by violating Cal. Penal Code § 632.
- 125. Defendant's misrepresentations and omissions to Plaintiff and Class Members were material because they were likely to deceive reasonable individuals about Defendant's adherence to its own privacy policies and procedures for turning off the "Allow Apps to Request to Track" and/or "Share Analytics" features.
- 126. Defendant intended to mislead Plaintiff and Class Members and induce them to rely on its misrepresentations and omissions.
- 127. If Defendant had disclosed to Plaintiff and Class Members that it would continue to receive their data regardless of the election to turn this tracking feature off, Defendant would have been unable to continue in business with such blatant disregard for users' privacy and data security. However, Defendant instead received, maintained, and compiled Plaintiff's and Class Members' personal data without advising Class Members that Apple would continue to invade their privacy and track data usage without their knowledge. Accordingly, Plaintiff and Class Members acted reasonably in relying on Defendant's misrepresentations about de-activating the data tracking

1	features on their Mo	obile Devices and omissions that Apple would continue to receive this data
2	despite users' reques	ets to the contrary.
3	128. As a c	direct and proximate result of Defendant's violations of the UCL, Plaintiff and
4	Class Members susta	ained actual losses and damages as described herein.
5	129. Plain	tiff and the Class seek restitution or disgorgement, injunctive relief, and further
6	relief as the Court m	ay deem just and proper.
7	130. Plain	tiff brings this cause of action on behalf of all Class Members pursuant to UCL
8	§17203, which author	orizes extraterritorial application of the UCL. In the alternative, Plaintiff brings
9	this cause of action of	on behalf of the California Class.
10		PRAYER FOR RELIEF
11	WHEREFOR	RE, Plaintiff, on behalf of himself and all others similarly situated, prays for
12	relief and judgment	against Defendant, as follows:
13	(a)	For an order certifying the Class under Rule 23 of the Federal Rules of
14		Civil Procedure and appointing Plaintiff as representative of the Class and
15		Plaintiff's counsel as Class Counsel;
16	(b)	For an order declaring that Defendant's conduct violates the laws referenced
17		herein;
18	(c)	For an order finding in favor of Plaintiff and the Class on all counts asserted
19		herein;
20	(d)	For compensatory damages and actual damages, trebled, in an amount
21		exceeding \$5,000,000, to be determined by proof;
22	(e)	For other appropriate relief, including actual, nominal and statutory
23		damages;
24	(f)	For an order granting Plaintiff and the Class punitive damages;
25	(g)	For an order awarding Plaintiff and the Class civil penalties;
26	(h)	For an order granting Plaintiff and the Class declaratory and equitable relief,
27		including restitution and disgorgement;
28		

1	(i)	For an order enjoining Defendant from continuing to engage in the wrongful		
2		acts and practices alleged herein;		
3	(j)	For an order awarding Plaintiff and the Class the costs of prosecuting this		
4		action, including expert witness fees;		
5	(k)	For an order awarding Plaintiff and the Class reasonable attorneys' fees and		
6		costs as allowable by law;		
7	(1)	For an order awarding pre-judgment and post-judgment interest; and		
8	(m)	For an order granting any other relief as this Court may deem just and proper.		
9	(111)			
10		by demands a trial by jury on all issues so triable.		
11	Dated: March 22, 20	Respectfully submitted,		
12		By: /s/ Kevin F. Ruf		
13		Kevin F. Ruf (#136901)  GLANCY PRONGAY & MURRAY LLP		
14		1925 Century Park East, Suite 2100		
15		Los Angeles, CA 90067 Telephone: (310) 201-9150		
13		Facsimile: (310) 201-9160		
16		Email: kruf@glancylaw.com		
17		Brian P. Murray (pro hac vice forthcoming)		
18		Lee Albert (pro hac vice forthcoming)		
19		GLANCY PRONGAY & MURRAY LLP		
19		230 Park Avenue, Suite 358 New York, NY 10169		
20		Telephone: (212) 682-5340		
21		Fax: (212) 884-0988		
21		Email: bmurray@glancylaw.com		
22		Email: lalbert@glancylaw.com		
23		William G. Caldes (pro hac vice forthcoming)		
24		Jeffrey L. Spector (pro hac vice forthcoming)		
		Diana J. Zinser ( <i>pro hac vice</i> forthcoming)  SPECTOR ROSEMAN & KODROFF, P.C.		
25		2001 Market Street, Suite 3420		
26		Philadelphia, PA 19103		
27		Telephone: (215) 496-0300		
27		Email: bcaldes@srkattorneys.com		
28		Email: jspector@srkattorneys.com Email: dzinser@srkattorneys.com		
		Zinan. dzinser@sikattorneys.com		

1	
2	Garrett D. Blanchfield (pro hac vice forthcoming)
3	Brant D. Penney (pro hac vice forthcoming) REINHARDT WENDORF & BLANCHFIELD
	332 Minnesota Street, Suite W-1050 St. Paul, MN 55101
4	Tel: (651) 287-2100
5	Fax: (651) 287-2103 Email: g.blanchfield@rwblawfirm.com
6	Email: b.penney@rwblawfirm.com
7	David P. McLafferty (pro hac vice forthcoming)
8	MCLAFFERTY LAW FIRM, P.C.
9	923 Fayette Street Conshohocken, PA 19428
10	Phone: (610) 940-4000 ext. 12
	Email: dmclafferty@mclaffertylaw.com
11	Attorneys for Plaintiff and the Proposed Class
12	
13	
14	
15	
16	
17	
18	
19	
20	
21	
22	
23	
24	
25	
26	
27	
28	
20	
	27